

**TERMINATION OF EMPLOYMENT AGREEMENT AND MUTUAL GENERAL  
RELEASE AGREEMENT**

This Termination of Employment Agreement and Mutual General Release Agreement (the "Release") is entered into by and between the Southeastern Economic Development Corporation ("SEDC") a Public Agency Organized as a California Nonprofit Public Benefit Corporation and Carolyn Y. Smith ("Smith") with respect to the following facts:

A. The current term of the employment agreement between SEDC and Smith ends on February 28, 2009.

B. The Board of Directors ("Board") of SEDC took action by the unanimous vote of eight directors at a regularly scheduled meeting on July 23, 2008 to exercise SEDC's right to terminate the employment agreement upon 90-days notice.

C. At the conclusion of a duly noticed closed session, the Board announced the action terminating the employment agreement in the public session of its duly noticed meeting held on July 23, 2008, which was attended by Smith and Smith specifically waives any rights she may have had to written notice of the termination of the employment agreement.

D. The termination of the employment agreement shall be effective at the close of business on October 21, 2008, and Smith will not be expected to perform any duties for SEDC after October 21, 2008.

E. SEDC and Smith desire to resolve any and all differences regarding Smith's employment and the termination of Smith's employment agreement with SEDC.

The parties mutually agree as follows:

1. **Severance Benefits and Settlement Payment.** In full consideration of Smith signing this Release, and the covenants and releases given herein, SEDC will provide Smith the following Severance Benefits, which Smith acknowledges includes sums she is not otherwise entitled to receive. SEDC will pay Smith One Hundred Thousand, Three Hundred and Fifty dollars (\$100,350.00), ("Separation Pay"). The Separation Pay will be made, less all applicable state and federal withholdings, to Smith within ten (10) business days after Smith's last day of employment.

2. **Mutual Non-Disparagement.** Neither SEDC, its officers, current or former directors, employees, agents, or representatives, on the one hand, nor Smith, on the other hand, shall: (a) make or cause to be made any statement or comment, whether oral or written, including without limitation, any statement or comment made via the Internet, which disparages, denigrates, impugns, or discredits the other; or (b) act in any manner which is intended to or does damage the reputation of the other. Nothing contained herein shall prohibit current or former directors, officers, employees, agents, or representatives of SEDC, on the one hand, or Smith, on the other hand, from giving truthful testimony in response to any duly served subpoena, discovery request, or other inquiry authorized by law in a pending litigation or investigation.

3. **Cooperation with SEDC.** Smith agrees to cooperate fully with SEDC and its counsel with respect to any matter (including litigation, investigation, government proceedings and general claims) which relates to matters with which Smith was involved during the term of employment with SEDC, subject to reimbursement of reasonable out-of-pocket travel costs and expenses. Such cooperation may include appearing from time to time at the offices of SEDC or SEDC's counsel, or telephonically, for conferences and interviews and providing testimony in depositions, court proceedings and administrative hearings as necessary for SEDC to defend claims, and in general providing SEDC and its counsel with the full benefit of Smith's knowledge with respect to any such matter. Smith agrees to render such cooperation in a timely fashion and at such times as may be mutually agreeable to the parties concerned.

4. **Confidential and Proprietary Business Information.** Smith acknowledges that, during the course of the employment relationship, Smith has become privy to confidential and proprietary business information belonging to SEDC, as well as confidential information regarding past and present SEDC employees, the unauthorized disclosure of which could cause serious and irreparable injury to SEDC. Smith agrees to hold and safeguard the confidential information in trust for SEDC, its successors and assigns, and agrees that Smith will not misappropriate, use for Smith's own advantage, disclose or otherwise make available to anyone who is not an officer or director of SEDC, for any reason, any of the confidential information, regardless of whether the confidential information was developed or prepared by Smith or others. Smith agrees not to remove any writings containing confidential information from SEDC's premises or possession without SEDC's express consent. Smith agrees to promptly return to SEDC all confidential information in Smith's possession or under Smith's control (whether in original, copy, electronic disk or some other form). Before disclosing any confidential information under compulsion of legal process, Smith agrees to promptly give notice to SEDC of the fact that Smith has been served with legal process pursuant to which the disclosure of confidential information may be requested. Such notice will be given within sufficient time to permit SEDC to intervene in the matter or to take such other actions as may be necessary or appropriate to protect its interest in the confidentiality of its confidential business information.

5. **Mutual General Release.** Smith, individually and on behalf of her heirs, assigns, executors, successors and each of them, hereby unconditionally, irrevocably and absolutely releases and discharges SEDC, the current and former members of SEDC's Board of Directors, and SEDC's officers, employees, agents, representatives, attorneys, insurers, successors and assigns, from any and all loss, liability, claims, demands, causes of action or suits of any type related directly or indirectly to Smith's employment with SEDC and/or Smith's separation from SEDC, including claims for wrongful termination, constructive wrongful termination, harassment, retaliation, defamation, fraud, misrepresentation, infliction of emotional distress, reimbursement of Smith expenses except for indemnity obligations for a claim or judgment arising out of acts or omissions occurring within the course and scope of Smith's managerial and discretionary duties and to the extent that indemnification is permitted under local and state law, reimbursement of medical expenditures, violation of civil rights, severance pay, denial of pension benefits, claims under the Labor Code of the State of California or similar laws of any other jurisdiction, claims under the federal Wage and Hour laws, claims for discrimination, including claims arising under the Age Discrimination in Employment Act, physical handicap and/or disability under federal and state law, the Federal Sarbanes-Oxley Act of 2002 and any other claims under local ordinances, state law or federal law. This Release does not in any way affect Smith's rights in any retirement plan, which rights are governed by the terms of the plan(s) and by applicable law. Smith further represents that she has not and will not institute,

prosecute or maintain on her behalf, before any administrative agency, court or tribunal, any demand or claim of any type related to the matters released herein.

SEDC, on behalf of itself, the current and former members of its Board of Directors, its officers, employees, agents, attorneys, insurers, successors and assigns, hereby unconditionally, irrevocably, and absolutely releases Smith, her heirs, agents, attorneys, insurers, assigns, and successors from any and all loss, liability, claims, demands, causes of action or suits of any type related directly or indirectly to Smith's employment with SEDC and/or Smith's separation from SEDC.

This Release does not apply to any claim arising after Smith's execution of this Release. In accordance with state law, nothing in this Release exonerates Smith from responsibility or liability for Smith's own wrongful act or omission or because of Smith's own actual fraud, corruption, actual malice or criminal conduct.

Smith and SEDC expressly waive all of the benefits and rights granted to them pursuant to California Civil Code section 1542, which reads as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

6. This Release is intended by the parties to release and discharge any and all claims the parties may have against each other as set forth in Paragraph 5 above, including but not limited to any claims Smith may have against SEDC arising under the laws of the State of California and/or the United States regulating or prohibiting alleged civil rights violations or employment discrimination. It is the intent of the parties that this Agreement satisfy the requirements of the Age Discrimination in Employment Act ("ADEA")/Older Workers Benefit Protection Act ("OWBPA"), Public Law 101-433, codified at 29 U.S.C. § 626(f) with regard to Smith, who is over 40 years-old. The following general provisions, along with the other provisions of this Agreement, are agreed to for this purpose:

a. Smith acknowledges and agrees that she has read and understands the terms of this Agreement;

b. Smith acknowledges that she has been given a full opportunity to consult with her attorney with respect to the matters referenced in this Agreement, and that Smith has obtained and considered such legal counsel as she deems necessary, such that Smith is entering into this Agreement freely, knowingly and voluntarily;

c. Smith acknowledges that she has been given at least twenty-one (21) days in which to consider whether or not to enter into this Agreement and that if she signs this Agreement before the expiration of the 21-day period, her shortening of the time period is done at her option, knowingly and voluntarily and that this 21-day period shall have no effect on the 90-days notice of termination period;

d. Smith understands that she has seven (7) days from the date she signs this Agreement to revoke the Agreement. Any such revocation must be received by hand-delivery to SEDC's attorneys, Regina A. Petty of Wilson, Petty, Kosmo & Turner LLP, no later than 9:00 a.m. on the day following the 7-day revocation period, or if this is a weekend or holiday, the following business day.

e. This Agreement does not waive or release any rights or claims that Smith may have under the ADEA/OWBPA which arise after execution of this Agreement.

## 7. General Provisions.

a. Smith and SEDC acknowledge that they have been given the opportunity to consult with their own legal counsel with respect to the matters referenced in this Release, and that they have obtained and considered the advice of such legal counsel as they deem necessary or appropriate, such that they have voluntarily and freely entered into this Release.

b. This Release contains the entire Release between Smith and SEDC and there have been no promises, inducements or Releases not expressed in this Release.

c. The provisions of this Release are contractual, not merely recitals, and shall be considered severable, such that if any provision or part thereof shall at any time be held invalid under any law or ruling, any and all such other provision(s) or part(s) thereof shall remain in full force and effect and continue to be enforceable.

d. In the event of any dispute between Smith and SEDC concerning any aspect of this Release, such disputes shall be resolved by binding arbitration before a single neutral arbitrator in San Diego, California, to the extent permitted by law. The arbitrator shall be agreed upon by the parties. If the parties cannot agree, then the arbitrator will be selected from the American Arbitration Association according to its procedures. The parties shall bear their own costs and attorneys' fees in any such action.

e. This Release shall be interpreted, construed, governed and enforced in accordance with the laws of the State of California.

f. This Release shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

g. Nothing in this Release shall be construed as an admission of any liability or any wrongdoing by any party to this Release.

h. This Release shall not be construed against any party on the grounds that such party drafted the Release.

8. **Release Read and Understood.** Smith and SEDC certify that they have read all of this Release, including the release provisions contained herein and that they fully understand all of the same.

**BY SIGNING BELOW, Smith certifies that she has read and understands all of this Release, has received any advice or counsel Smith deems necessary regarding this Release, and is entering into this Release freely and voluntarily, intending to be bound by its terms.**

The undersigned have executed this Release on the dates shown below at San Diego, California.

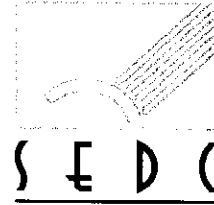
Dated: Aug. 1, 2008

By: Carolyn Y. Smith  
Carolyn Y. Smith

SOUTHEASTERN ECONOMIC  
DEVELOPMENT CORPORATION  
A Public Agency Organized as  
a California Nonprofit Public  
Benefit Corporation

Dated: Aug 4, 2008

By: Artie M. Owen  
Artie Owen  
Chairman  
SEDC Board of Directors



# INVOICE

**TO:**

Will Carless  
Voice of San Diego  
2508 Historic Decatur Rd , Suite 120  
San Diego, CA 92106

**INVOICE DATE: August 12, 2008**

**FROM:**

Southeastern Economic Development Corporation  
4393 Imperial Avenue, Suite 200  
San Diego, CA 92113

<b>QTY</b>	<b>DESCRIPTION</b>	<b>PRICE</b>	<b>AMOUNT</b>
5	Copies of Various SEDC Corporate Documents Requested Under the Freedom of Information Act Dated August 11, 2008	0.25	\$1.25

Total \$1.25